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SENATE BILL 726

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

H. Diane Snyder

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN INCOME TAX CREDIT FOR  
TAXPAYERS OVER THE AGE OF FORTY-FIVE FOR AMOUNTS PAID AS  
PREMIUMS FOR QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS  
DEFINED IN SECTION 7702(B)(b) OF THE INTERNAL REVENUE CODE OF  
1986.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted  
to read:

"NEW MATERIAL CREDIT--LONG-TERM CARE INSURANCE CONTRACT  
PREMIUMS.--

A. A taxpayer who files an individual New Mexico  
income tax return and who is not a dependent of another  
individual may claim a credit in an amount determined pursuant  
to Subsection B of this section for amounts paid as premiums

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1 for qualified long-term care insurance contracts defined in  
2 Section 7702(B)(b) of the Internal Revenue Code if the premiums  
3 have not been included in the taxpayer's itemized deductions,  
4 as defined in Section 63 of the Internal Revenue Code and if  
5 the amounts paid as premiums have not been claimed as part of a  
6 deduction claimed pursuant to Section 7-2-35 NMSA 1978.

7 B. The credit provided in Subsection A of this  
8 section may be claimed in an amount equal to the following  
9 percentages of amounts paid as premiums for qualified long-term  
10 care insurance contracts defined in Section 7702(B)(b) of the  
11 Internal Revenue Code during the taxable year based on the  
12 taxpayer's age as follows:

13 (1) twenty-five percent for taxpayers of at  
14 least forty-five years of age but under fifty years of age;

15 (2) thirty-seven and one-half percent for  
16 taxpayers of at least fifty years of age but under fifty-five  
17 years of age;

18 (3) fifty percent for taxpayers of at least  
19 fifty-five years of age but under sixty years of age;

20 (4) sixty-two and one-half percent for  
21 taxpayers of at least sixty years of age but under sixty-five  
22 years of age; and

23 (5) seventy-five percent for taxpayers of at  
24 least sixty-five years of age.

25 C. A husband and wife who file separate returns for

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1 the taxable year in which they could have filed a joint return  
2 may each claim only one-half of the credit that would have been  
3 allowed on the joint return."

4 Section 2. APPLICABILITY.--The provisions of this act  
5 apply to taxable years beginning on or after January 1, 2007.